MOODY'S
INVESTORS SERVICE

NEW ISSUE REPORT

EMPRESAS BANESTO 6, FTA

ABS/SME Loans/Spain

Closing Date

24 October 2011

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Definitive Ratings

Class	Rating	Amount (€Million)	% of Notes	Legal Final Maturity	Coupon	Subordination***	Reserve Fund***	Total Credit Enhancement*
Serie A	Aaa(sf)	935	68.55%	Sep-33	3mEurib +0.70%	15.0%	24.0%	39.0%
Serie B	Baa2(sf)	165	12.10%	Sep-33	3mEurib +1.20%	0.0%	24.0%	24.0%
Serie C**	Ca(sf)	264	19.35%	Sep-33	3mEurib +1.00%	0.0%	24.0%	0.0%
Total		**1,364**	**100.0%**					

The ratings address the expected loss posed to investors by the legal final maturity. In Moody's opinion the structure allows for timely payment of interest and ultimate payment of principal at par for Serie A and Serie B on or before the rated final legal maturity date. For series C the ratings reflect Moody's opinion the structure's ability to meet ultimate payment of principal at par by the legal final maturity. Moody's ratings address only the credit risks associated with the transaction. Moody's ratings address only the credit risks associated with the transaction. Other non-credit risks have not been addressed, but may have a significant effect on yield to investors.

* No benefit attributed to excess spread.

** Serie C is an uncollateralised class which will fund the reserve fund at closing, and its repayment ranks junior to the reserve fund replenishment in the waterfall. In addition to an interest rate coupon, this tranche is remunerated with a variable amount comprising the available cash after meeting senior payments in the waterfall, including coupon and principal of Serie A, B and C notes (see Allocation of Payments/Waterfall)

*** As % of the securitised pool balance.

Vscore for the sector:	*Medium/High*
Vscore for the subject transaction:	*Medium/High*

This transaction is a cash securitisation of a €1,100m static pool of loans extended to small, medium enterprises (SMEs) and corporate obligors located in Spain. The portfolio consist of unsecured commercial loans used to fund general working capital and long-term business expansion.

Asset Summary (as of closing)

Sellers/Originators:	Banco Español de Crédito, S.A. (Banesto) (A2/P-1/C-; negative outlook)
Servicer(s):	Banco Español de Crédito, S.A. (Banesto) (A2/P-1/C-; negative outlook)
Receivables:	Loans to Spanish Small, Medium Enterprises and Corporates
Methodologies Used:	» Refining the ABS SME Approach: Moody's Probability of Default Assumptions In The Rating Analysis of Granular Small and Mid-sized Enterprise Portfolios in EMEA", March 2009 (SF141058) » Moody's Approach to Rating Granular SME Transactions in Europe, Middle East and Africa, June 2007 (SF90890) » Moody's Approach to Rating CDOs of SMEs in Europe, February 2007 (SF90480)
Model Used:	CDOROM & ABSROM
Total Amount:	€1,100 million
Length of Revolving Period:	Static
Number of Loans:	4,971
Number of Borrowers:	4,493 (4,313 when considering groups)
Effective Number:	80 (60 when considering groups)
WA Remaining Term:	3.2 years as of closing, 5.6 years at origination

Asset Summary (Continued)

WA Seasoning:	2.3 years
WAL Years:	2.0 years (assuming 0% CPR)
Interest Basis:	3.43%
WA Current LTV:	N/A*
Delinquency Status:	0.6% less than 30d in arrears

* 100% of pool are non-mortgage loans

Liabilities, Credit Enhancement and Liquidity

Excess Spread Range:	0.90% guaranteed by the swap agreement
Credit Enhancement/Reserves:	0.90% excess spread 24% reserve fund Subordination of the notes
Form of Liquidity:	Cash reserve Principal-to-pay-interest mechanism (single waterfall) Excess spread
Number of Interest Payments Covered by Liquidity:	Cash reserve as of closing covers more than 4 years of interest and senior fees even considering three-month EURIBOR equal to 4% and 0.5% of stressed senior fees
% of Reserve Fund Dedicated to Liquidity:	None. Cash reserve does not have a liquidity ledger
Interest Payments:	Quarterly in arrears on each payment date
Principal Payments:	Pass-through on each payment date.
Payment Dates:	17th of March, June, September and December First payment date: 19th December 2011
Hedging Arrangements:	Interest rate swap covering the interest rate risk

Counterparties

Issuer:	EMPRESAS BANESTO 6, FTA
Sellers/Originators:	Banesto (A2/P-1/C-; negative outlook)
Servicer:	Banesto (A2/P-1/C-; negative outlook)
Back-up Servicer:	None
Back-up Servicer Facilitator:	None
Cash Manager:	Santander de Titulización S.G.F.T.
Back-up Cash Manager:	None
Interest Rate Swap Counterparty:	Banesto (A2/P-1/C-; negative outlook)
F/X Swap Counterparty:	Not applicable
Basis Counterparty:	Not applicable
Issuer Account Bank:	Banesto (A2/P-1/C-; negative outlook)
Collection Account Bank:	Banesto (A2/P-1/C-; negative outlook)
Paying Agent:	Banesto (A2/P-1/C-; negative outlook)
Note Trustee (Management Company):	Santander de Titulización S.G.F.T.
Issuer Administrator:	Santander de Titulización S.G.F.T.
Arranger:	Santander de Titulización S.G.F.T.
Lead Managers:	Banesto
Other Parties:	N/A

Moody's View

Outlook for the Sector:	Negative
Unique Feature:	Asset type and structure previously seen in the market.
Degree of Linkage to Originator:	Banesto will act as servicer (a back-up servicer will be appointed if Banesto is downgraded below Baa3).
Originator's Securitisation History:	
# of Precedent Transactions in Sector:	Seven precedent SME transactions originated by Banesto.
% of Book Securitised:	8.2%
Behaviour of Precedent Transactions:	The performance of previous SME deals originated by Banesto is in line with the market average.
Key Differences between Subject and Precedent Transactions:	None
Portfolio Relative Performance:	
Default Rate Assumed/Ranking:	**14.4%** / In line with peer group. Comparison on Default Rate can be found in "Benchmark Analysis".
Coefficient of Variation Assumed on Default Rate/Ranking:	**42.5%** / In line with volatility for peer group. Comparison on Default Rate can be found in "Benchmark Analysis".
Recovery Rate Assumed/Ranking:	**35%** / lower than group. Comparison on Default Rate can be found in "Benchmark Analysis".
Delinquencies Observed in Portfolio:	Lower than peer group.
Comment	
Potential Rating Sensitivity:	
Chart Interpretation:	When the rating was assigned, the model output indicated that Serie A would have achieved a "A range" rating even if the cumulative mean DP was as high as 19.9% and even assuming a recovery rate as low as 25%, whilst the Serie B and Serie C would have achieved B1(sf) and C(sf), respectively, in the same scenario.
Factors Which Could Lead to a Downgrade:	In addition to the counterparty linkage, the following factors may have a significant impact on the subject transaction's ratings: further deterioration in the real estate market (beyond the recovery lag and stress that was modelled) and regulatory changes either at national or regional level.

TABLE 1

	Portfolio WA PD Assumption	Recovery Rate		
		35%	**30%**	**25%**
Serie A	**14.4%**	**Aaa(sf)***	Aaa(sf) (0)	Aa1(sf) (1)
	16.9%	Aaa(sf) (0)	Aaa(sf) (0)	Aa2(sf) (2)
	19.9%	Aa2(sf) (2)	Aa3(sf) (3)	A1(sf) (4)
Serie B	**14.4%**	**Baa2(sf)***	Baa3(sf) (1)	Baa3(sf) (1)
	16.9%	Ba1(sf) (2)	Ba1(sf) (2)	Ba2(sf) (3)
	19.9%	Ba3(sf) (4)	B1(sf) (5)	B1(sf) (5)
Serie C	**14.4%**	**Ca(sf)***	Ca(sf) (0)	Ca(sf) (0)
	16.9%	Ca(sf) (0)	Ca(sf) (0)	C(sf) (1)
	19.9%	C(sf) (1)	C(sf) (1)	C(sf) (1)

1. Results are model-indicated ratings, which are one of the many inputs considered by rating committees, which take quantitative and qualitative factors into account in determining actual ratings. The analysis assumes that the deal has not aged. It is not intended to measure how the rating of the security might migrate over time, but rather, how the initial rating of the security might have differed if key rating input parameters were varied.
2. Results under base case assumptions indicated by ' * '. Change in model-indicated rating (# of notches) is noted in parentheses.
3. Moody's estimates a cumulative mean DP for the portfolio and the corresponding proxy rating applying its SME methodology, please refer to 'Refining the ABS SME Approach: Moody's Probability of Default Assumptions in the Rating Analysis of Granular Small and Mid-sized Enterprise Portfolios in EMEA' published in March 2009.

Composite V Score

Breakdown of the V Scores Assigned to		Sector	Transaction	Remarks
Composite Score: Low, Medium or High		M/H	M/H	
1	**Sector Historical Data Adequacy and Performance Variability**	**M/H**	**M/H**	
1.1	Quality of Historical Data for the Sector	M/H	M/H	
1.2	Sector's Historical Performance Variability	M/H	M/H	
1.3	Sector's Historical Downgrade Rate	M/H	M/H	
2	**Issuer/Sponsor/Originator Historical Data Adequacy, Performance Variability and Quality of Disclosure**	**M/H**	**M/H**	
2.1	Quality of Historical Data for the Issuer/Sponsor/ Originator	M/H	M/H	» Same as sector score. » Moody's has received quarterly data from 2000 through 2011 on cumulated 90-day delinquencies and recoveries by vintage of origination. » Internal ratings and scoring with the corresponding PD has been provided. » No information received on prepayments.
2.2	Issuer/Sponsor/Originator's Historical Performance Variability	M/H	M/H	» Banesto has an overall lower default rate compared to other Spanish originators, however this is not reflected in the performance of its securitisation transactions.
2.3	Disclosure of Securitisation Collateral Pool Characteristics	L/M	L	» Detailed loan-by-loan data on an extensive list of fields has been provided for the analysis of the transaction. » Information on Banesto's internal rating system (which has been certified by the Bank of Spain) has been provided.
2.4	Disclosure of Securitisation Performance	M	M	» In common with most deals in this mature market, Moody's has not received a specific template for the monitoring report. Moody's expects that the management company (Santander de Titulización) will continue providing at least the same amount and quality of data as per previous deals.
3	**Complexity and Market Value Sensitivity**	**M**	**M**	» **Same as sector score.**
3.1	Transaction Complexity	M	M	» Same as sector score.
3.2	Analytic Complexity	M	M	» Same as sector score.
3.3	Market Value Sensitivity	M	L/M	» 100% unsecured pool.
4	**Governance**	**L/M**	**L/M**	
4.1	Experience of, Arrangements Among and Oversight of Transaction Parties	L/M	L/M	» Same as sector score.
4.2	Back-up Servicer Arrangement	L	L	» Same as sector score: investment grade servicer with "loss of Baa3" to appoint a new back up servicer.
4.3	Alignment of Interests	L/M	L/M	» Same as sector score.
4.4	Legal, Regulatory, or Other Uncertainty	L/M	L/M	» Same as sector score.

Strengths and Concerns

Strengths:

» **Relatively low exposure to real estate:** According to Moody's industry classification 13.4% of the portfolio is exposed to the Construction and Building sector, including 1.2% which corresponds to loans granted to real estate developers. This proportion is lower compared with standard transactions in the Spanish market.

» **Corporate obligors:** The pool comprises 45.4% of credit to obligors which according to Banesto have business turnover higher than €50m (this includes 18% corresponding to corporates whose annual business turnover exceeds €500m). In Moody's view, larger obligors tend to show lower default rates, which is also confirmed by Banesto's internal PDs.

» **Hedging:** An interest swap agreement will guarantee the weighted-average margin on the notes plus 0.90% of excess spread, and the servicing fees in case of substitution of Banesto as servicer.

» **Back-up servicing:** The originator will identify a back-up servicer if Banesto is downgraded below **Baa3**. At this stage, the back-up servicer will enter into a back-up servicer agreement, but will effectively step in only at the discretion of the management company

» **Loans in Arrears:** Loans in arrears for more than 30 days have been excluded from the final portfolio. Loans less than 30 days in arrears represented less than 0.6% of the portfolio at closing.

Concerns and Mitigants:

Moody's committees particularly focused on the following factors, listed in order of those most likely to affect the ratings:

» **High obligor concentration:** Although **t**here are 4,493 obligors in the portfolio, their effective number is only 80 (which decreases to 60 when considering obligors belonging to the same corporate group) as the top ten names represent 29.5% of the pool amount. Moody's has obtained credit estimates for most of this exposures and assigned conservative PDs to those where a credit estimate was not available. This topic is discussed further in the section "Credit Analysis".

» **Principal grace periods:** The portfolio has an exposure of around 7.4% to loans enjoying a grace period with regards to principal payments. As described in the section "Credit Analysis", probability of default assumptions was adjusted for loans with these features.

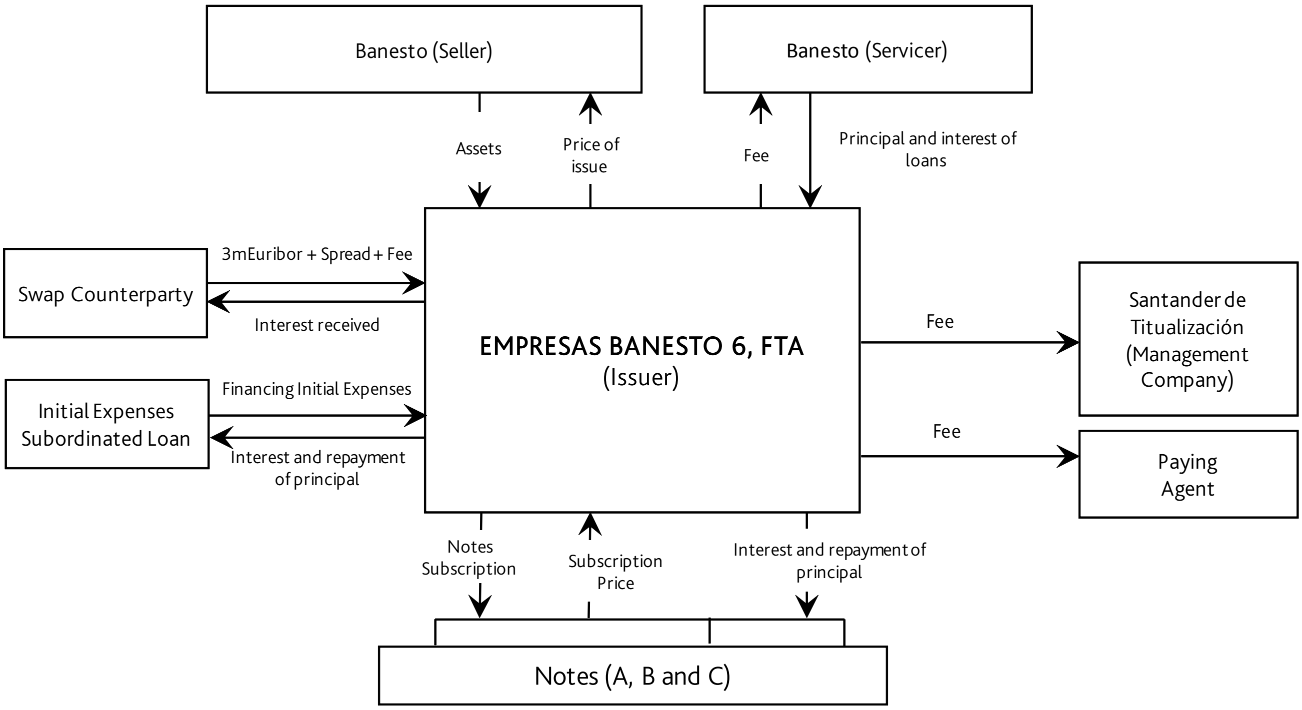
» **Bullet loans:** Loans with a bullet amortisation schedule represent 22.3% of the securitised pool. This risk was treated in Moody's quantitative analysis as further explained under "Treatment of Concerns".

» **Commingling Risk:** The structure does not contemplate any commingling reserve to protect from any potential loss of collections arising from the servicer's default. To reflect this risk, Moody's assumes in its modelling that a portion of the asset collections may be lost. Nevertheless, the insolvency risk of Banesto is low as reflected by its rating (A2/P-1).

» **Deferral of interest:** The deferral of interest payments on Serie B is beneficial to the repayment of the prior ranking Serie A, but increases the expected loss for Serie B. The size of the available credit enhancement addresses this increased expected loss.

Structure, Legal Aspects and Associated Risks

CHART 1
Structure Chart



Allocation of Payments/Waterfall: On each quarterly payment date, the *Fondo's* available funds (i.e. amounts received from the portfolio, the reserve fund, amounts received under the swap agreement, and interest earned on the treasury account) will be applied in the following simplified order of priority:

1. Senior expenses (including fee to Administrator if Banesto is substituted)
2. Swap payment : amount due under the swap agreement and swap termination payment if the Fondo is the defaulting or affected party
3. Interest on Serie A
4. Interest on Serie B (if not deferred)
5. Principal repayment
6. Interest on Serie B (if deferred)
7. Reserve fund replenishment
8. Interest on Serie C
9. Principal on Serie C
10. Junior costs (including fee to Banesto as Administrator and variable remuneration on Serie C notes)

The notes will amortize sequentially: Serie B notes can start amortising only after full redemption of Serie A notes, while principal payments on Serie C are limited to the cash available after replenishing the reserve fund to its target level.

Allocation of Payments/PDL mechanism: A principal deficiency ledger (PDL) is defined as the negative difference between the principal available funds and a target principal amount. A target principal amount is the difference between the notes' outstanding principal (taking into account any amount withdrawn from the guarantee for principal payments) and the performing assets. A non-performing asset is defined as one with any amount due but unpaid for more than 18 months, one classified as such by the originator or one written off according to management's discretion.

The "artificial write-off" speeds up the amortisation of non-performing loans (NPLs); thus, the amount of notes collateralised by NPLs is minimised, and, consequently, the negative carry. However, the most significant benefit for the transaction is that the amount of excess spread trapped in the structure is larger (the excess spread between the "artificial write-off" time and the "natural write-off" time would otherwise be lost). Therefore, the transaction makes better use of the excess spread, allowing for lower levels of other credit enhancement figures.

Performance Triggers:

Trigger	Conditions	Consequence
Interest deferral	The cumulative non-performing level exceeds 20.0% for Serie B.	Interest payments on Serie B will be brought to a more junior position on the waterfall (until the series senior to them are fully redeemed) and will be paid after the principal repayment.
Termination of Reserve Fund Amortisation	The arrears level exceeds 1.0%; or The reserve fund is not funded at its required level on the previous payment date; or Less than two years have elapsed since closing.	The target amount of the reserve fund will not be reduced on any payment date on which these occur

Reserve Fund: A reserve fund equal to 24% of the collateral has been funded up front with the proceeds of Serie C notes. It provides both credit and liquidity protection to the Serie A and B.

When two years have elapsed since closing, the reserve fund may amortise over the life of the transaction so that it amounts to the lower of the following:

» 24% of the initial balance of Serie A and Serie B notes

» The higher of:

  o 48% of the outstanding balance of the Serie A and Serie B notes and

  o 12% of the initial balance of the Serie A and Serie B notes

The reserve fund will be used to cover potential shortfalls on interest or principal on an ongoing basis.

Liquidity:

» Principal-to-pay-interest mechanism.

» The reserve fund is a further source of liquidity.

Subordination of interest: The payment of interest on Serie B notes will be brought to a more junior position if, on any payment date, the conditions in the table above are met. This protection mechanism redirects cashflows to the payment of on Serie A notes.

Assets:

Asset transfer:

True Sale: According to the legal opinion received, the sale of credit rights has been carried out in compliance with Spanish securitisation law.

Bankruptcy Remoteness: Under Spanish securitisation law, a Spanish SPV (FTA/FTH) is not subject to the Spanish Insolvency Act. Only the management company, acting in the best interest of the noteholders, can decide to liquidate the *Fondo*.

Claw-back risk upon default of the Originator: Claw-back risk is limited to those activities performed during a period of two years prior to the declaration of the bankruptcy state, even in the absence of fraud. However, in no case the activities performed under the regular activity of the originator may be cancelled as the transfer of credit rights forms part of the normal activity of Banesto.

Interest Rate Mismatch: 13.3% of the portfolio corresponds to fixed-rate loans and 86.7% to floating-rate loans (most of them linked to EURIBOR), whereas the notes will be floating liabilities (three-month EURIBOR). As a result, the *Fondo* will be subject to base rate mismatch risk on the floating portion of the portfolio (i.e. the risk that the reference rate used to compute the interest amount payable on the notes will differ from the interest rate payable on the underlying SME loans) and fixed-floating risk (i.e. the risk that the reference rate of the notes will differ from the interest rates payable on this portion of the portfolio).

Mitigant: The *Fondo* will enter into a swap agreement with Banesto to mitigate these risks and obtain a minimum level of excess spread. Under the swap agreement:

» The *Fondo* will pay the actual amount of interest received from the loans since the previous payment date.

» The swap counterparty will pay the weighted-average interest rate on the Serie A and Serie B notes plus 90 bps, over a notional equal to the daily average outstanding balance of the loans, which includes loans in arrears up to 90 days.

The *Fondo* will be exposed to reductions in the notional due to loans rolling into arrears over 90 days. If these loans become current again, the arrears amount, corresponding to ordinary interest, received from borrowers would be passed on to the swap counterparty.

The excess spread provided through the swap agreement constitutes the notes' first layer of protection.

The swap documentation complies with Moody's criteria for swap counterparties de-linkage.

Cash Commingling: Banesto collects all of the payments under the loans in its portfolio under a direct debit scheme into its account and transfers them within two days to a treasury account in the name of the SPV. As a result, in the event of insolvency of Banesto, until notification is delivered to the relevant debtors to redirect their payments, payments by the underlying debtors will continue to be collected by Banesto and may be commingled with other funds belonging to Banesto.

The transaction does not contemplate setting up any commingling reserve as protection against losses derived from collections potentially not being transferred to the *Fondo* following a default of the servicer.

Mitigant: Payments are transferred **within two** days to the treasury account in the name of the SPV held by Banesto.

» Triggers are in place to protect the treasury account from a possible downgrade of the GIC provider's short-term rating. If Banesto's short-term rating falls below P-1, it will have find a suitably rated guarantor or substitute.

» The insolvency risk of the servicer (Banesto) is low given its current rating (A2/P-1, Negative Outlook).

» Banesto may notify the debtors of the transfer of the loans and the collections account. The management company also has the ability to carry out the notification.

Moody's has assumed in its cash flow modelling that part of the payments collected may be lost due to this risk.

Set-off: 100% of obligors have accounts with the seller.

Mitigant: Set-off is very limited because only unpaid instalments prior to the declaration of insolvency might be offset against the deposits hold by the debtors (considered as fully due and payable prior to the insolvency); one month of potential setoff is accounted for in the cashflow model.

Originator Profile, Servicer Profile and Operating Risks

Date of Operations Review:	15/05/2010

Originator Background:

Rating:	Banesto (A2/P-1/C-; negative outlook)
Financial Institution Group Outlook for Sector:	Negative
Ownership Structure:	89% Santander
Asset Size:	€69.2 billion total loan book
% of Total Book Securitised:	8.2%
Transaction as % of Total Book:	1.5%
% of Transaction Retained:	100%

Servicer & Back-Up Servicer Background:

Servicer and Its Rating:	Banesto (A2/P-1/C-; negative outlook)
Total Number of Receivables Serviced:	N/A
Number of Staff:	8,613
Servicer Assessment:	
Strength of Back-up Servicer Arrangement:	N/A
Back-up Servicer and Its Rating:	N/A
Ownership Structure:	N/A
Regulated by:	N/A
Total Number of Receivables Serviced:	N/A
Number of Staff:	N/A

Originator Related Triggers

Key Servicer Termination Events:	Insolvency; intervention by the Bank of Spain; breach of service's obligation resulting in being substituted as servicer; or at the request of the management company (acting in the best interest of the noteholders)
Downgrade of Original Servicer's Rating to Certain Level	N/A
Appointment of Back-up Servicer Upon:	Loss of Banesto's Baa3 rating
Key Cash Manager Termination Events:	Insolvency
Notification of Obligors of True Sale	Insolvency; intervention by the Bank of Spain; breach of service's obligation resulting in being substituted as servicer; or at the request of the management company (acting in the best interest of the noteholders).
Conversion to Daily Sweep	None (sweep is done daily).
Notification of Redirection of Payments to SPV's Account	Insolvency; intervention by the Bank of Spain; breach of service's obligation resulting in being substituted as servicer; or at the request of the management company (acting in the best interest of the noteholders).
Accumulation of Set Off Reserve	N/A

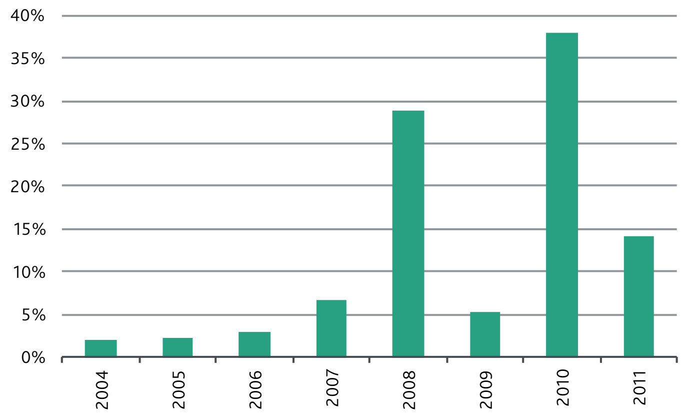
Receivable Administration:	
Method of Payment:	100% by direct debit
% of Obligors with Account at Originator:	100%
Distribution of Payment Dates:	N/A

Cash Manager:

Cash Manager and Its Rating:	Santander de Titulizacion S.G.F.T. S.A (N.R)
Main Responsibilities:	» Keeping the Fund's accounts separate from the management company's. » Complying with its formal, documentary and reporting duties to the CNMV, the rating agencies and any other supervisory body. » Appointing and, if necessary, replacing and dismissing the auditor who is to review and audit the Fund's annual accounts. » Complying with the calculation duties provided for and taking the actions laid down in the Deed of Constitution and in the Prospectus. » Checking that the mortgage credit income amount actually received by the Fund matches the amounts that must be received by the Fund, on the terms of issue of the pass-through certificates and on the terms of the relevant mortgage credits. » Calculating and determining on each determination date the principal to be amortised and repaid on each bond series on the relevant payment date. » Watching that the amounts credited to the treasury account return the yield set in the agreement. » Instructing transfers of funds between the various borrowing and lending accounts, and issuing all relevant payment instructions, including those allocated to servicing the bonds. » Calculating the available funds, the available funds for amortisation of Serie A, B and C, the liquidation available funds and the payment or withholding obligations to be complied with, and applying the same in the priority of payments or, as the case may be, in the liquidation priority of payments. » The management company may extend or amend the agreements entered into on behalf of the Fund, and substitute, as necessary, each of the Fund service providers on the terms provided for in each agreement.
Calculation Timeline:	Determination Date: Five working days before the payment date.
Back-up Cash Manager and Its Rating:	*N/A*
Main Responsibilities of Back-up Cash Manager:	*N/A*

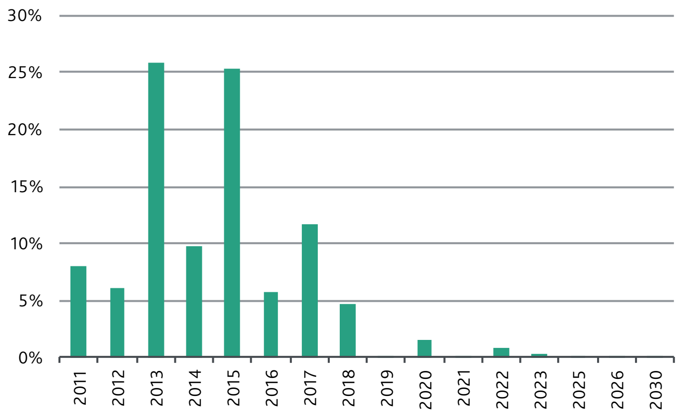
Collateral Description

CHART 2
Portfolio Breakdown by Year of Origination



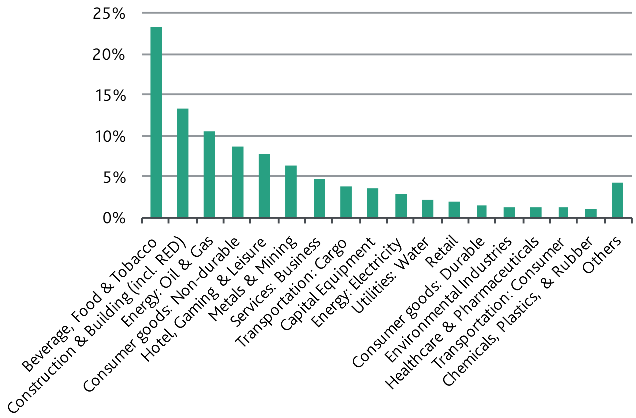
Source: Banesto

CHART 3
Portfolio Breakdown by Year of Maturity



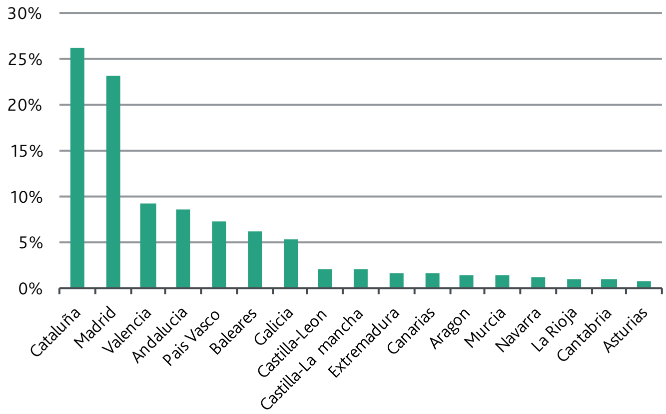
Source: Banesto

CHART 4
Portfolio Breakdown by Industry Sector



Source: Banesto

CHART 5
Portfolio Breakdown by Geography



Source: Banesto

Audits: Performed by Deloitte, S.L. in compliance with the Spanish regulatory framework.

Product Description: The portfolio consists of credit and commercial loans extended to Spanish SMEs and corporate obligors to fund general working capital and long term business expansion. None of the securitised loans is secured by real estate mortgages. The portfolio breakdown by company size according to Banesto is: 14.7% firms with turnover less than €6 million, 65.3% firms with turnover between €6 million and €500 million and 18% firms with turnover over €500 million. Self employed and other obligors consisting of individual persons comprise around 2% of the pool and have been considered as micro enterprises for analytical purposes. The outstanding tenor of the product varies from months to more than 10 years, depending on the purpose of the loans, with the longest maturity falling on year 2030. Loans are either subject to standard French amortization (77.7%) or are bullet loans (22.3%).

Eligibility Criteria:

The key eligibility criteria are as follows:

» All the loans/lines of credits have been formalised under public deed.

» All the loans are euro-denominated and have repaid at least one instalment.

» 100% of the principal of the loans has been drawn.

» No loan is in arrears longer than 30 days.

» The pool will not include syndicated loans.

Additional Information on Borrowers

Top Debtor Concentration:	5.3%
Top 5 Debtors:	19.6% (groups 24.4%)
Top 10 Debtors:	29.5% (groups 36.1%)
Top 25 Debtors:	41.0% (groups 48.8%)
Industry Concentration:	Beverage, Food & Tobacco 23.2%; Construction & Building 13.4% (includes 1.2% Real Estate Developers); Energy: Oil & Gas: 10.6%
Geographic Diversity:	Catalunya 26.2% Madrid 23.1% Valencia 9.3%

Additional Information on Portfolio

Number of Contracts:	4,971
Type of Contracts:	100% standard loans.
Contract Amortisation Style:	77.7% French, 22.3% bullet
% Large Corporates*:	45.4%
% Bullet Loans:	22.3%
% Real Estate Developers:	1.2%
WA Interest Rate:	3.43%
Internal Rating (1):	PD=3.8%
LTV(first-lien):	N/A (2)
Guarantees:	Personal 75.9% Other (non-mortgage) 6.3% None reported 17.8%
Mortgage Loans:	None

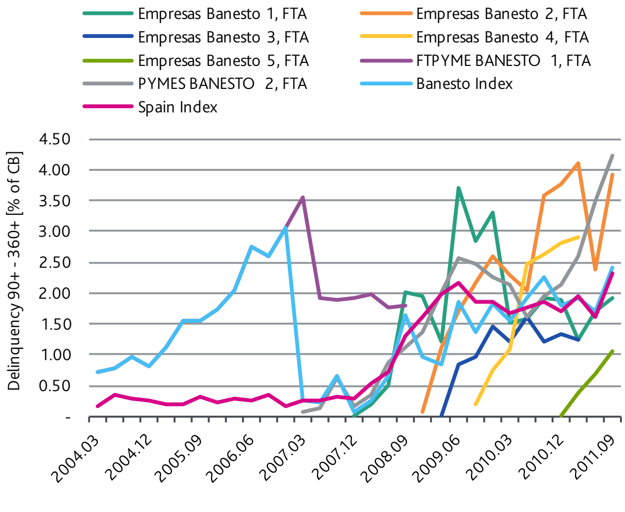
* Turnover exceeding €50m
(1) Information available for 99.5% of the portfolio. Simple average.
(2) None of the securitised loans is secured by real estate mortgages.

Credit Analysis

Precedent Transactions' Performance: The performance of the originator's precedent transactions shows an average performance among the Spanish originators in the SME segment.

As of March 2011, the 90-360 delinquencies for Banesto deals were 1.7% (higher than the market index).

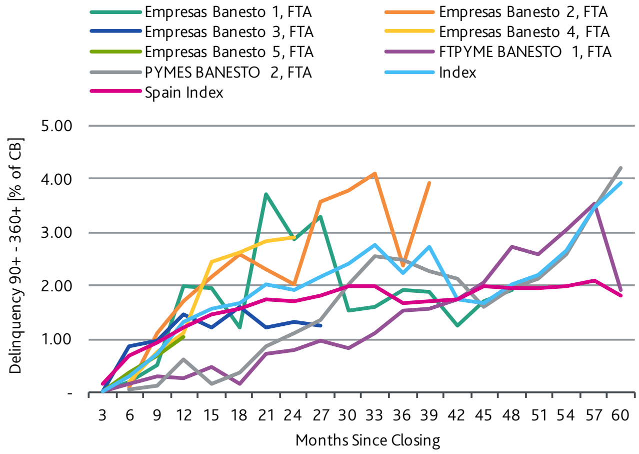
CHART 8
Delinquencies 90 - 360 Banesto transactions vs market index



Source: Moody's Investors Service, Moody's Performance Data Service (periodic investor/servicer reports)

CHART 9

Delinquencies 90 - 360 Banesto transactions vs market index



Source: Moody's Investors Service, Moody's Performance Data Service (periodic investor/servicer reports)

Default Definition: The definition of a defaulted asset in this transaction is one which is more than 18 months in arrears or where the obligor is bankrupt.

Data Quantity and Content: Moody's has received data by quarter of origination (covering a period of over ten years) to perform a vintage analysis. Additionally, Moody's has received line-by-line information on default probabilities according to Banestos internal ratings/scorings.

In addition, Moody's has available meaningful information about historical performance of previous Banesto SME deals, as shown in Charts 8, 9 and 11. Moody's notes that the monitoring information from Banesto deals shows a worse-than-average performance.

In Moody's view, the quantity of data received is in line compared to transactions which have achieved high investment grade ratings in this sector.

Assumptions: Note other values within a range of the notional amount listed below may result in achieving the same ratings.

Assumptions	
CPR:	10%
Distribution:	CDOROM
Default rate:	14.4%
Stdev/mean:	42.5%
Timing of default:	Flat over first 2.0 years
Recoveries:	Mean 35% (stochastic recoveries)
Recovery lag:	50% (in 2nd year after default) and 50% (in 3rd year)
Correlation Default/ Recoveries:	20%
Amortisation profile:	Actual pool amortization
Fees:	0.50%
Fees floor:	€25,000
Euribor (three-month):	4%
PDL definition:	18 months
Write-off:	18 months

Derivation of default rate assumption: Moody's analysed historical performance data as well as other sources of information (i.e. performance monitoring data on previous deals, macroeconomic data, Banesto's internal ratings) to determine the default assumption. It should be noted that historical data provided by Banesto does not capture an entire stressed economic cycle given that the last economic crisis was in the early 1990s and vintages prior to 2007 reflect positive economic conditions. Recent vintages show higher default rates, reflecting a deterioration of the performance under the current stressed economic conditions. However, those vintages do not have enough seasoning to allow a meaningful extrapolation analysis.

As a result, Moody's has complemented historical data analysis with a top-down approach, as detailed below. Given the significant obligor concentration in the securitised portfolio, Moody's assessed the default probability through credit estimates on 9 of the top names (representing together 23.4% of the pool volume), which were in the range of Ba3-Caa1. For the rest of the pool Moody's split the portfolio into three sub-pools based on the economic sector where the debtor was active: (1) Construction and Building; (2) Real Estate Developers; and (3) all other industries. Moody's rating proxies assumed are shown in the table below

Borrower's main sector of activity	Rating Proxy
Construction & building	B2
Real estate developers	Caa1
Other industries	B1

The above assumptions include some adjustments that take into account the current macro-economic environment (generally in the range of one-two notches) as well as the originator's underwriting ability. Banesto's overall default rates are average compared to the Spanish market (see Chart 11), therefore Moody's has taken into consideration the current performance of Banesto's SME deals in its assumptions.

Moody's further adjusted the assumptions to account for the size of the companies (one notch down for micro and small enterprises). Finally, we also adjusted the PD assumptions according to the loan characteristics. For bullet loans the PD was increased considering an additional one year exposure to default at the time of refinancing. For loans with current or potential principal grace period or potential holiday payment an additional 10% PD stress was applied.

The standard deviation of the default distribution was determined (using CDOROM) by splitting the portfolio into 35 sectors of activity and assuming a fixed pair-wise correlation parameter where the inter-industry correlation was stressed to 5%.

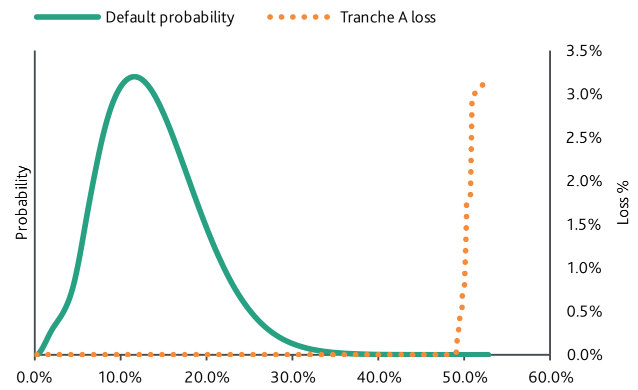
Timing of defaults: Moody's tested several timing of default curves to assess the robustness of the ratings. In the base-case scenario, the timing of defaults curve assumed is flat over 2 years (with a 12-month lag).

Derivation of Recovery Rate Assumption*:* Taking into account the non-mortgage nature of the underlying pool, assumptions for recoveries were made on the basis of (i) historical recovery information available from previous deals of Banesto: (ii) statistical information on the Spanish SME market; (iii) feedback from Moody's corporate team; and (iv) other quantitative and pool derived aspects.

Modelling Approach: Given the number of assets and the size of the exposures in the portfolio (see section entitled "Collateral Description"), Moody's decided to derive the gross default distribution curve through a two-factor Monte-Carlo approach, rather than assuming that it follows a given general density law. Moody's tested the credit enhancement levels by using ABSROM cash flow model, which has been adjusted to take into account a number of structural features.

To determine the rating assigned to each series of notes, Moody's used an expected loss methodology that reflected the probability of default for each series of notes. With this purpose, and in order to allocate losses to the notes in accordance with their priority of payments and relatively size, Moody's built a cash flow model that reproduce many deal-specific characteristics (the main input parameter of the model is described in the table above). Weighting each default scenario's severity result on the notes with its probability of occurrence, Moody's calculated the expected loss average for each series of the notes as well as the expected average life. Moody's then compared the quantitative values to the Moody's idealised expected loss table to determine the ratings assigned to each series of the notes.

CHART 10
Defaults Distribution and Loss Sensitivity



Treatment of Concerns:

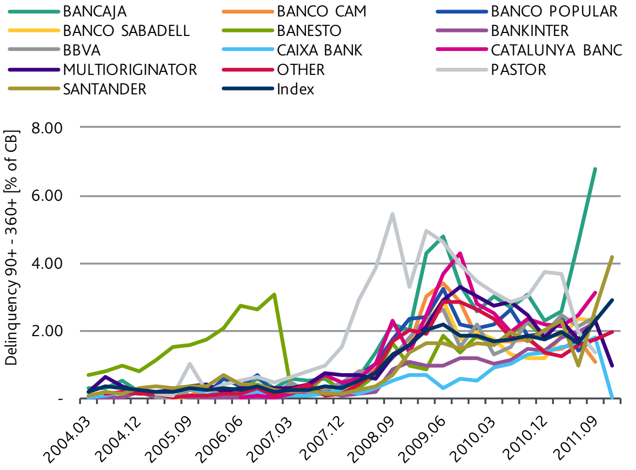
» **Concentrated portfolio:** The portfolio's effective number is 80 and top ten borrowers add up to 29.5% of the pool volume. Moody's was able to obtain credit estimates on 9 of the top names (making together 23.4% of the pool volume), These credit estimates, which were in the range of Ba3-Caa, were applied in the portfolio analysis in line with Moody's approach as explained in "Updated Approach to the Usage of Credit Estimates in Rated Transactions", published in October 2009).

» **Bullet loans and grace periods:** The portfolio has a relatively high exposure to bullet loans (22.3% of pool volume) and loans under a principal grace period (7.4% of pool volume), where in most cases the remaining time under grace period does not exceed 12 months. As described in the Section "Credit Analysis" the probability of default assumptions were increased for loans with these features, as per Moody's top-down approach.

Benchmark Analysis

Performance Relative to Sector: In Moody's view, the historical performance of 90 days past due compares negatively to other recent transactions in this sector. Chart 11 shows the outstanding proportion of delinquencies in Moody's rated Spanish SME. Please note that performance shown is affected by several factors, such as the age of the transaction, the pool specifics characteristics, the presence of a revolving period, etc.

CHART 11
Spanish SME 90-360 Days Delinquency Trend
(by Originator)



Source: Moody's Investors Service, periodic investor reports

Benchmark Table

Deal Name	Empresas Banesto 6	Empresas Banesto 5	Empresas Banesto 4	BBVA Empresas 4
Country	**Spain**	**Spain**	**Spain**	**Spain**
Closing Date	24/10/2011	13/09/2010	01/06/2009	21/07/2010
Currency of Rated Issuance	EUR	EUR	EUR	EUR
Rated Notes Volume (excluding NR and Equity)	1,100,000,000	1,600,000,000	2,075,000,000	1,700,000,000
Originator	Banesto	Banesto	Banesto	BBVA
Long-Term Rating1	A2	Aa3	Aa2	Aa2
Short-Term Rating1	P-1	P-1	P-1	P-1
Servicer1	Banesto	Banesto	Banesto	BBVA
Long-Term Rating1	A2	Aa3	Aa2	Aa2
Short-Term Rating1	P-1	P-1	P-1	P-1
Contract Information (as % Total Pool)				
(Fully) Amortising Contracts %	77.7%	81.0%	48.5%	91.5%
Bullet / Balloon Contracts %	22.3%	19.0%	19.0%	8.5%
Monthly Paying Contracts %	20.8%	41.4%	40.0%	51.6%
Quarterly Paying Contracts %	23.1%	38.5%	20.0%	39.1%
Semi-Annually Paying Contracts %	29.4%	10.8%	15.0%	9.3%
Annually Paying Contracts %	4.5%	6.90%	6.0%	0.0%
Other Payment Frequency				
Method of Payment - Direct Debit (minimum payment)	100%	100%	100%	100%
Floating-Rate Contracts %	86.7%	89.0%	80.5%	76.6%
Fixed-Rate Contracts %	13.4%	11.0%	19.5%	23.4%
WA Initial Yield (Total Pool)			5.18%	3.14%
WAL of Total Pool (in years)	2.0	3.6	3.1	3.7
WA Seasoning (in years)	2.0	1.1	1.5	1.2
WA Remaining Term (in years)	3.7	6.4	5.9	6.6
Portfolio Share in Arrears > 30 days %	0.0%	0.0%	0.0%	0.0%
No. of Contracts	4,971	6,206	6,258	4,723
Obligor Information (as % Total Pool)				
No. of Obligors	4,493	5,693	5,796	4,432
Name: 1st largest industry	Beverage, Food & Tobacco	Construction & Building	Construction & Building	Construction & Building
2nd largest industry	Construction & Building	Beverage, Food & Tobacco	Hotel, Gaming & Leisure	Beverage, Food & Tobacco
3rd largest industry	Energy: Oil & Gas	Services: Business	Metals & Mining	Hotel, Gaming & Leisure
Size %: 1st largest industry	23.2%	24.3%	23.8%	40.6%
2nd largest industry	13.4%	18.6%	17.7%	13.0%
3rd largest industry	10.6%	10.8%	8.1%	11.6%
Effective Number (Obligor Group Level)	80	180	111	351
Single Obligor (Group) Concentration %	5.3%	3.1%	3.4%	1.2%
Top 10 Obligor (Group) Concentration %	29.5%	20.1%	23.6%	9.2%
Small companies (including self employed)%	13.7%	23.2%	Not available	24.0%
Medium %	40.9%	76.6%	Not available	50.0%
Corporate %	45.4%	17.7%	Not available	26.0%
Collateral Information (as % Total Pool)				
WA RE collateralisation level	0.0%	35.0%	34.60%	45.0%
Geographical Stratification (as % Total Pool)				
Name: 1st largest region	Cataluña	Madrid	Madrid	Catalonia
2nd largest region	Madrid	Valencia	Catalonia	Madrid
3rd largest region	Valencia	Cataluña	Andalucía	Valencia
Size %: 1st largest region	26.2%	24.0%	31.0%	19.0%
2nd largest region	23.1%	14.0%	21.10%	17.5%
3rd largest region	9.3%	14.0%	9.1%	11.6%
Asset Assumptions				
Gross Default / Net Loss Definition in this Deal	18 months	18 months	18 months	18
Type of Default / Loss Distribution	Monte Carlo from CDOROM	Monte Carlo from CDOROM	Monte Carlo from CDOROM	Monte Carlo from CDOROM
Mean Gross Default Rate - Initial Pool	14.4%	16.34%	13.9%	17.1%
Stdev.	6.1%	6.7%	7.0%	N/A

Deal Name		Empresas Banesto 6	Empresas Banesto 5	Empresas Banesto 4	BBVA Empresas 4
Country		Spain	Spain	Spain	Spain
CoV		42.5%	41.0%	50.2%	48.5%
Stochastic Recoveries Modelled		Yes	Yes	No	No
Mean Recovery Rate		35.0%	45.0%	30.0	50.4%
Stdev. Recovery Rate (if any)		20.0%	20.0%		N/A
Correlation Severity / Default		N/A	N/A		N/A
Correlation Severity		N/A	N/A		N/A
Prepayment Rate(s)		10%	5%	5%	8%
Fees		0.50%	0.50%	0.50%	0.50%
Capital Structure (as % Total Pool)					
Size of:	Aaa-rated class	85.0%	84.0%	80.0%	100.0%
	Aa-rated class		6.0%		
	A-rated class			10.0%	
	Baa-rated class	15.0%	10.0%	10.0%	
	Ba-rated class				
	B-rated class				
class	Caa and below rated				
	NR				
	Equity	24.0%			
Reserve Fund		24.0%	17.0%	20.3%	36.0%
Aaa CE		39.0%	33.0%	40.3%	36.0%

Parameter Sensitivities

Parameter Sensitivities provide a quantitative, model-indicated calculation of the number of notches that a Moody's-rated structured finance security may vary if certain input parameters used in the initial rating process differed. The analysis assumes that the deal has not aged. It is not intended to measure how the rating of the security might migrate over time, but rather, how the initial rating of the security might differ as certain key parameters vary.

Parameter sensitivities for this transaction were calculated in the following manner: Moody's assumed nine scenarios derived from the combination of mean default rate: 14.4% (base case), 16.9% (base + 2.5%) and 19.9% (base + 5.5%) and recovery rate: 35% (base case), 30% (base –5%) and 25% (base – 10%). The 16.9% - 35% scenario represents the base case assumptions used in the initial rating process.

The charts below show the parameter sensitivities for this transaction with respect to all Moody's rated tranches*.

	Portfolio WA PD Assumption	Recovery Rate		
		35%	30%	25%
Serie A	14.4%	Aaa(sf)*	Aaa(sf) (0)	Aa1(sf) (1)
	16.9%	Aaa(sf) (0)	Aaa(sf) (0)	Aa2(sf) (2)
	19.9%	Aa2(sf) (2)	Aa3(sf) (3)	A1(sf) (4)
Serie B	14.4%	Baa2(sf)*	Baa3(sf) (1)	Baa3(sf) (1)
	16.9%	Ba1(sf) (2)	Ba1(sf) (2)	Ba2(sf) (3)
	19.9%	Ba3(sf) (4)	B1(sf) (5)	B1(sf) (5)
Serie C	14.4%	Ca(sf)*	Ca(sf) (0)	Ca(sf) (0)
	16.9%	Ca(sf) (0)	Ca(sf) (0)	C(sf) (1)
	19.9%	C(sf) (1)	C(sf) (1)	C(sf) (1)

* Results under base case assumptions indicated by asterisk ' * '. Change in model-indicated rating (# of notches) is noted in parentheses.

Worst-case scenarios: At the time the rating was assigned, the model output indicated that Serie A would have achieved a "A range" rating even if the cumulative mean DP was as high as 19.9% and even assuming a recovery rate as low as 25%, whilst the Serie B and Serie C would have achieved B1(sf) and C(sf), respectively, in the same scenario.

Monitoring

Moody's will monitor the transaction on an ongoing basis to ensure that it continues to perform in the manner expected, including checking all supporting ratings and reviewing periodic servicing reports. Any subsequent changes in the rating will be publicly announced and disseminated through Moody's Client Service Desk.

Originator Linkage: Banesto will act as servicer (a back-up servicer will be appointed if Banesto is downgraded below Baa3).

Significant Influences: In addition to the counterparty issues noted, the following factors may have a significant impact on the subject transaction's ratings: further deterioration in the real estate market beyond the recovery lag and stress which was modelled.

Counterparty Rating Triggers	Condition	Remedies
Interest Rate Swap Counterparty	In accordance with Moody's swap guidelines*	
Issuer Account Bank	Loss of P-1	Replace/Eligible guarantor
Servicer	Loss of Baa3	Appointment of back up servicer

* See "Framework for De-Linking Hedge Counterparty Risks from Global Structured Finance Transactions Moody's Methodology", published in October 2010.

Monitoring Report: Moody's has reviewed the standard monitoring report (publicly available at the management company website for previous similar deals) and would like to receive the following important data in addition to the information reflected on the report:

» All the transaction's triggers details

» The cumulative 90 days "defaults" (as obtained for the rating process of the deal)

» The amount of gross excess spread before write offs

» Prepaid principal amount.

» Quarterly loan-by-loan pool evolution reports (including recovery data)

Representations and Warranties

The Rule 17g-7 Report of Representations and Warranties is hereby incorporated by reference and can be found at http://www.moodys.com/viewresearchdoc.aspx?docid=PBS_SF264687.

Moody's Related Research

For a more detailed explanation of Moody's approach to this type of transaction as well as similar transactions please refer to the following reports:

Rating Methodologies:

- » Historical Default Data Analysis for ABS Transactions in EMEA, November 2005 (SF64042)
- » Updated Approach to the Usage of Credit Estimates in Rated Transactions (120461)
- » Refining the ABS SME Approach: Moody's Probability of Default Assumptions in the rating analysis of granular Small and Mid-sized Enterprise portfolios in EMEA, March 2009 (SF141058)
- » Moody's Approach to Rating Granular SME Transactions in Europe, Middle East and Africa, June 2007 (SF90890)
- » Moody's Approach to Rating the CDOs of SMEs in Europe, February 2007 (SF90480)
- » Moody's Approach to Monitoring Spanish Granular SME Portfolios – Implementing the Refined Probability of Default Methodology, February 2011 (SF202581)
- » Portfolio analysis: Moody's Industry Allocation of Borrowers, December 2009 (SF169435)
- » Investor/Servicer Reports: Important Considerations for Moody's Surveillance of EMEA ABS and RMBS Transactions, June 2009 (SF154502)
- » V Score and Parameter Sensitivities in the EMEA Small-to-Medium Enterprise ABS Sector, June 2009 (SF155092)
- » Framework for De-Linking Hedge Counterparty Risks from Global Structured Finance Cashflow Transactions Moody's Methodology, May 2006 (SF73248)

Special Reports:

- » Spanish SME Indices - September 2011 (SF268322)
- » Structural Features in the Spanish RMBS Market – Artificial Write-Off Mechanisms: Trapping the Spread, January 2004 (SF29881)

Company Profile:

- » Banco Espanol de Credito, S.A. (Banesto), February 2011 (131108)

Credit Opinion:

- » Banco Espanol de Credito, S.A.

To access any of these reports, click on the entry above. Note that these references are current as of the date of publication of this report and that more recent reports may be available. All research may not be available to all clients.

Appendix 1: Originator's Underwriting and Collection Practices

Originator Ability:	
Sales and Marketing Practices:	» Number employees: 8,613 » Origination channels: 100% branch » Incentive based compensation: Yes
Underwriting Policies and Procedures:	» Automatic underwriting: Not available » % Approval rate: Not available » % loans manually underwritten: Not available » % of loans underwritten at branch level (as opposed to central office): Not available » % exceptions to underwriting policy: Not available » Income and credit history verification: Yes » Internal credit scoring and use of external bureaus: Yes
Collateral Valuation Policies and Procedures:	» Advance rate against purchase price: Not available » Valuation process: Yes (in compliance with market standards and legal requirements)
Closing Policies and Procedures:	» Reconciliation of data on system and origination files: Yes
Credit Risk Management:	» Strategic target market and product type: Yes
Originator Stability:	
Quality Controls and Audits:	» Frequency of external and internal audits, particularly underwriting practices to policy and collection practices: Not available » Fraud prevention process: Yes
Regulated by:	» Bank of Spain
Management Strength and Staff Quality	» Average tenure with company: Not available » Average Turnover of underwriting staff and length of tenor for head of credit risk management: Not available » Compensation structure i.e. incentive for receivables growth: Not available
Arrears Management:	
# of Receivables per Collector:	» Not made available.
Staff Description:	» Average tenure with company: Not available » Turnover: Not available » Compensation structure i.e. incentive for collections achieved: Not available
Early Stage Arrears Practices:	» Not made available.
Late Stage Arrears Practices:	» Not made available.
Average Time to Repossess:	» Not made available.
Loan Modifications:	» What constitutes a loan modification? Not available » Who can loan modifications be offered to? Not available » Approval process for modifications? Yes » Income verification as part of modification? Yes » Performance of modified loans Not available

» contacts continued from page 1

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